

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:7892  
ANSWERED ON:17.05.2002  
TAKE OVER CODE  
UMMAREDDY VENKATESWARLU

**Will the Minister of FINANCE be pleased to state:**

- (a) whether SEBI has instituted a Take-over Code for Companies wishing to buy stakes in other companies,
- (b) if so, whether the SEBI insists that no company should buy more than 5% share in any company;
- (c) if so, whether any conditions to be fulfilled by the acquirer of shares;
- (d) if so, the details of such conditions which should be fulfilled by the acquiring company or individual;
- (e) Whether any companies have violated such a Take-Over Code of SEBI; and
- (f) if so, the names of such public limited companies who violated the guidelines in 2001-2002 ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a) The Securities & Exchange Board of India (SEBI) (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 were notified by SEBI on 20th February, 1997.
- (b) SEBI does not prohibit acquisition of shares above 5% of shares in any company.
- (c) & (d) Any acquirer who acquires shares or voting rights which when taken together with the shares held by him would entitle him to more than 5% of shares, is required to disclose the aggregate of his share holding or voting rights in that company to the company concerned, within four working days of the acquisition.
- (e) & (f) SEBI has initiated adjudication proceedings against the following acquirers for violation of the condition mentioned above:

S.No. Acquirer Target company

1. AK Bajoria and others Bombay Dyeing & Mfg. Co. Ltd.

2. AK Bajoria  
& others Ballarpur Industries Ltd

3. P.K. Tayal  
& others Bank of Rajasthan Ltd.

4. Reliance  
Industries Ltd L&T Ltd